

DISABILITIES RESEARCH REPORT



Characteristics of Disabled Taxpayers Ages 18 to 59:

Study of Filing Patterns and Preferences for Receiving Tax Information & Services

Internal Revenue Service
Wage & Investment Research
Prepared for Stakeholder Partnerships,
Education & Communication

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The Stakeholder Partnerships, Education & Communication (SPEC) Disability Initiative's goal is to educate taxpayers with disabilities about available tax credits and free tax preparation assistance. SPEC collaborates with the National Disability Institute through their TaxFacts+ Campaign, which is a national initiative delivering financial education and tax preparation services to low income persons with disabilities in more than 100 cities. To strengthen their strategy, SPEC asked Wage & Investment (W&I) Research to provide empirical information regarding the demographics, filing habits, preferences for receiving tax information, and awareness of Internal Revenue Service (IRS) services of disabled taxpayers ages 18 to 59. SPEC will explore the challenges disabled taxpayers face in obtaining tax services and use this information in recruiting additional partners into the Disability Initiative.

In order to provide the requested information, this project utilized three surveys, conducted on behalf of the IRS in 2006, and data from the American Community Survey (ACS), conducted by Census. The data sources are listed below:

1. Opinion Survey of Taxpayer Resources and Services (known as the Benchmark survey)
2. W&I Market Segment survey
3. Forrester Mail survey
4. American Community Survey (Census)

W&I Research estimates there were about 7.9 million disabled taxpayers ages 18 to 59 that filed a TY2004 tax return in 2005, based on the Benchmark survey; and there were 16.4 million US residents with a disability, based on ACS data. The disabled segment represents eight percent of taxpayers ages 18 to 59. Most disabled taxpayers reported a physical impairment (58%), followed by mental impairment (29%). About 25% of disabled ACS respondents reported difficulty leaving the home.

Filing Characteristics

Disabled Taxpayers (ages 18 to 59)...

- Reported less income on their tax returns than non-disabled taxpayers (median AGI of \$19,100 versus \$33,800)
- Received less Earned Income Tax Credit (EITC) than non-disabled taxpayers (median EITC of \$800 versus \$1,800), but disabled taxpayers were more likely to claim EITC (32% versus 16%)
- Received similar refunds to non-disabled taxpayers (\$900 versus \$1,000)
- Itemized less often than non-disabled taxpayers, (29% versus 38%) but when they did itemize, they were more likely to claim medical deductions (40% versus 12%)
- Used paid preparers more often than non-disabled taxpayers (66% versus 56%)
- With less education than a high school diploma were less likely to file a tax return (48%), compared to disabled respondents with at least a high school diploma (66%).

Executive Summary

Preference (& Resources used) to Receive Information

Disabled Taxpayers (ages 18 to 59)...

- Preferred the IRS mailed tax information (76%), and were less inclined to prefer IRS.gov when compared to non-disabled taxpayers (17% versus 33%)
- Used services of paid preparers because of their perceived accuracy and awareness of tax law changes (55%)

Additional Findings

Disabled Taxpayers (ages 18 to 59)...

- Most likely to be between the ages of 46 and 59 (53%)
- Less likely to be college educated than non-disabled taxpayers (28% versus 52%)
- More likely to be retired than non-disabled taxpayers (28% versus 9%)
- Less likely to use a computer at home than non-disabled respondents (59% versus 76%)
- Most aware of Forms & Publications as a Tax Resource (77%)
- Less aware of IRS.gov than non-disabled taxpayers (60% versus 75%)
- Less likely to invest than non-disabled taxpayers (70% versus 88%)
- Less likely to have a checking account than non-disabled taxpayers (89% versus 95%)
- As aware of VITA services as non-disabled taxpayers (30% versus 27%)

Conclusions

- Taxpayers with disabilities need more dedicated outreach to improve awareness of SPEC services as only 30% of disabled Benchmark respondents indicated awareness of VITA.
- SPEC could promote VITA services by marketing their accuracy and awareness of tax law changes as 55% percent of disabled taxpayers indicated those were the two reasons they went to paid preparers.
- Information targeted to disabled taxpayers should be presented via mail (76% prefer direct mailings), in as simple a format as possible (25% of US disabled population ages 18 to 59 have less than a High School Education). Disabled taxpayers are also less likely to have a computer at home than their non-disabled counterparts, making it more difficult for them to receive the information electronically.
- As 25% of disabled US residents have difficulty going out, they may welcome tax assistance that is home oriented.

Background

The Stakeholder Partnerships, Education & Communication¹ (SPEC) Disability Initiative's goal is to educate working aged taxpayers² with disabilities about available tax credits and free tax preparation assistance. To strengthen their strategy, SPEC asked Wage & Investment (W&I) Research to provide empirical based research regarding the demographics, filing habits, preferences for receiving tax information, and awareness of Internal Revenue Service (IRS) services of disabled taxpayers. SPEC will explore the challenges disabled taxpayers face in obtaining tax services and use this information in recruiting additional partners into the Disability Initiative.

Research Questions

W&I Research will answer the following questions for taxpayers ages 18 to 59:

1. What are the filing characteristics of disabled taxpayers?
2. What are the preferences of disabled taxpayers for receiving information?
3. What resources do disabled taxpayers use to receive tax information?

Data Sources

The data used for this project consisted of three surveys, which were conducted in 2006, and data from the American Community Survey (ACS), conducted by Census. The sources are listed below:

1. Opinion Survey of Taxpayer Resources and Services (known as the Benchmark survey³)
2. W&I Market Segment survey
3. Forrester Mail survey
4. American Community Survey (Census)

¹ SPEC is the outreach and education function for individual taxpayers and supports an indirect approach to community outreach, tax return preparation assistance, financial literacy, and asset building. This emphasizes collaboration with national and community organizations that have shared objectives and the ability to reach targeted special populations.

² SPCE defined working age taxpayers as those between ages 18 to 59. Preliminary research indicated a significant percentage of disable taxpayers were over age 60. SPEC indicated there are other programs designed for taxpayers over age 60; thus, SPEC requested W&I Research focus on those aged 18 to 59 for this report. The age of the primary filer was used when tax return data was analyzed.

³ The survey is known as the Benchmark Survey because the survey was designed to be administered in subsequent years and results of the 2006 survey would be used as the 'benchmark' to future results.

Introduction

Benchmark Survey

The Benchmark survey (Appendix A) was a mailed, paper survey sent to 40,000 potential respondents who were age 18 or over, residing in the United States, and had filed a federal income tax return for tax year (TY) 2004 prior to December 31, 2005, using the Form 1040 series (Forms 1040, 1040A, 1040EZ). The survey asked 23 questions about taxpayers' awareness, use, needs, and preferences for IRS and non-IRS resources and services. Of the 40,000 surveys sent, 8,160 taxpayers completed and returned the Benchmark survey, a response rate of 20%.⁴

Question 19 asked, "Do you have any of the following long-lasting conditions?" The choices were:

- Blindness
- Deafness
- Severe vision impairment
- Severe hearing impairment
- A condition that substantially limits physical ability
- A condition that limits learning or remembering
- I do not have any of the above long-lasting conditions.

The respondents were allowed to select all that applied. Benchmark respondents were defined as disabled if they selected at least one of the long-lasting conditions.

There were 5,369 respondents between the ages of 18 and 59, with 411 respondents reporting at least one long-term condition. The survey data was weighted to reflect the taxpayer population.⁵ The demographic variables used in the weighting scheme were Adjusted Gross Income (AGI), Preparation method (paid or self prepared), Filing method (electronic or paper), and Age. The weighting scheme was used to mitigate the response bias caused by seniors and high-income taxpayers responding in greater proportions than youthful and low income taxpayers. Although the weighting scheme helps reduce the impact of the response bias, it cannot eliminate the bias. The impact of the response bias is likely to have the most impact on the reported results of the youthful and lower income taxpayers, who were the least likely to respond. The weighted data reflects 98,878,000 respondents, with 7,884,000 identified as disabled.

⁴ The Benchmark results used for this report were the preliminary results (responses received prior to August 2006). The results from the Benchmark survey closeout had not been approved for use at the beginning of this project. The final response rate was 26%.

⁵ Taxpayers filing a TY2004 return in 2005.

W&I Market Segment Survey

The targeted population of the W&I Market Segment survey was W&I taxpayers.⁶ The survey was designed to help understand and address the needs and behaviors of W&I taxpayers. The survey was a computer-assisted telephone interview. The sample was a cross-sectional representation of the population. There were 42,220 phone numbers dialed and 7,778 households were eligible for the survey.

The analysis included 1,999 respondents who were taxpayers between the ages of 18 and 59. There were 159 taxpayers reporting at least one long-term condition, which W&I Research defined as a disability. The data was weighted to reflect the U.S. population and the sum of weights totaled the number of respondents (not the W&I population). The weighted data reflects 2,198 respondents with 145 taxpayers reporting at least one long-term disability. There were fewer weighted disabled taxpayers than actual respondents because they were overrepresented in the sample and the average weight of a disabled respondent was less than one.

The disabled population was defined by the question “Do you have any of the following disabilities?” Possible responses were:

- A sensory disability like seeing or hearing
- A physical disability, besides seeing or hearing
- Mental disability
- No disabilities.

The respondents were allowed to select all that apply. For this analysis, disabled was defined as any taxpayer that selected any of the conditions.

Forrester Mail Survey

The purpose of the Forrester Mail survey was to analyze broad patterns in behavior and attitudes regarding technology among consumers in the United States. The survey respondents provided demographic data about themselves as well as information on what products they own and use, and what activities they engage in. Respondents agree to take various Forrester surveys throughout the year. A sample was taken from this group and balanced to conform to the most recent U.S. Census data for geographic region, market size, age of head of household, annual household income, and household size.

The Internal Revenue Service added four questions to the existing Forrester Mail survey. These questions were related to Federal tax returns, paid preparers, and long-term disability conditions.

⁶ A W&I taxpayer is one who files a Form 1040 tax return with no accompanying Schedules , E, F, no form 2106, and has no international activity.

Introduction

The long-term conditions listed on the survey were:

- Blindness
- Severe vision impairment
- Deafness
- Severe hearing impairment
- A condition that substantially limits physical abilities
- A condition that limits learning or remembering.

The survey respondents were allowed to select “all that apply.” A disabled respondent was defined as a respondent who selected at least one of the six long-term conditions.

The total number of survey responses was 5,268. The analysis included 2,971 respondents (3,391 weighted) who were taxpayers between 18 and 59 years old. There were 262 respondents (277 weighted) reporting at least one lasting condition.

American Community Survey (ACS)

The American Community Survey (ACS) is administered and collected by the U.S. Census Bureau on an annual basis and is used to capture demographic data about the entire population of the United States. The demographics of the ACS data used in this report are for those respondents ages 18 or older to correspond with the W&I surveys.

The 2004 ACS data was used as a baseline to verify/validate that the weighted characteristics of the survey respondents were representative of the US population. The demographics of each survey were compared against the ACS data and found to resemble the ACS demographics; therefore, while response bias exists in each of the surveys, the demographics of the survey respondents were consistent with the ACS demographics. See Appendix B for a comparison of the weighted Benchmark survey to ACS.

The following conditions were used to identify disabled respondents in ACS:

- Vision or hearing difficulty
- Physical difficulty
- Difficulty remembering
- Difficulty going out

Using the 2004 ACS, W&I Research found 16.4 million US residents ages 18 to 59 with at least one of four impairments used to determine disability, or 10 percent of the examined population segment.

General Note

It is important to note that many of the questions on these various surveys were asked as multiple response questions. This means that the respondent may select as many choices as apply. The sum of the percentages may be more than 100%. For example, a person may be aware of more than one service or use more than one resource.

The findings in this report are from surveys and contain sampling error. The Benchmark survey contained the most disabled respondents, which led to a greater possibility of finding statistical significance between disabled and non-disabled respondents. All differences greater than eight percent on the Benchmark survey between disabled and non-disabled respondents are statistically significant.⁷

Due to the limited number of disabled respondents to the W&I Market Segment & Forrester Mail Survey between the ages 18 to 59, almost none of the differences between disabled and non-disabled respondents in this report are statistically significant (except where noted).

Demographics

Disability

About eight percent of the Benchmark respondents ages 18 to 59 self-identified as having at least one long-lasting condition (disability). Some of the impairment choices received too few responses to be analyzed independently. Blindness and severe vision impairment were combined into visual impairment. Deafness and severe hearing impairment were combined into hearing impairment. Table 1 provides disability type by the estimated number of tax returns filed by respondents who reported at least one disability. Most taxpayers with an impairment reported having a physical (57%), or a mental (27%) impairment. There were 4.8 million ACS respondents that reported difficulty leaving the home (not shown in table, as there was no corresponding Benchmark category). Of ACS respondents who reported a physical, mental, or hearing/vision impairment, 25% also indicated difficulty leaving the home.

Table 1: Count and Percent of Benchmark & ACS Respondents with an Impairment

Disability Type	Benchmark Count	Percent of Disabled Benchmark Respondents ⁹	ACS Count	Percent of Disabled ACS Respondents
Physical	4,526,000	57%	10,525,000	64%
Mental	2,117,000	27%	6,668,000	41%
Hearing	1,313,000	17%	3,979,000	24% ¹⁰
Vision	1,177,000	15%		

Source: Benchmark survey and ACS respondents ages 18 to 59 with at least one impairment

⁷ differences were deemed significant using a 95% confidence interval with an alpha of 0.05.

⁸ There were 450,000 ACS respondents that reported difficulty 'going out' but did not report a physical, mental, or vision/hearing impairment (3% of residents categorized as disabled).

⁹ Respondents could have selected more than one impairment, as a result, the percent will total to more than 100%.

¹⁰ ACS combines hearing and vision impairment into one disability category.

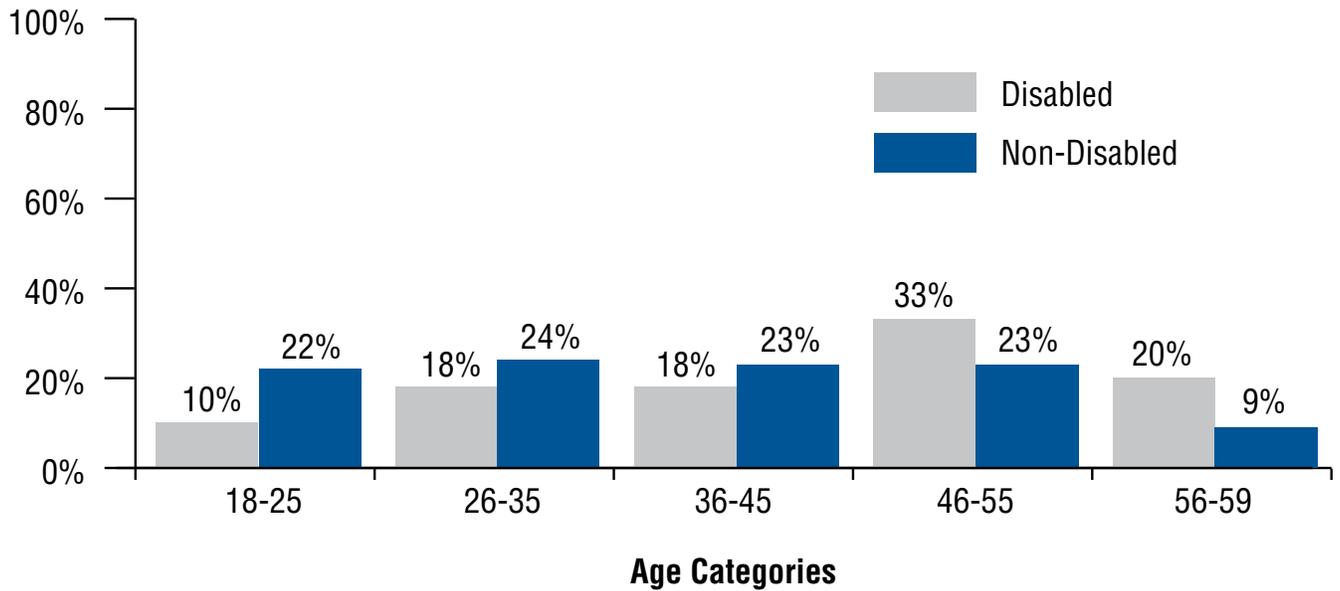
Findings

Age

Figure 1 shows the age distribution of the disabled and the non-disabled Benchmark respondents.

About 53% of disabled taxpayers (ages 18 to 59) fall in the 46-59 age groups compared to 32% of the non-disabled taxpayers, suggesting that some disabilities may be age related. ACS showed a similar result, with 47% percent of impaired respondents (ages 18 to 59) being between the ages of 46-59.

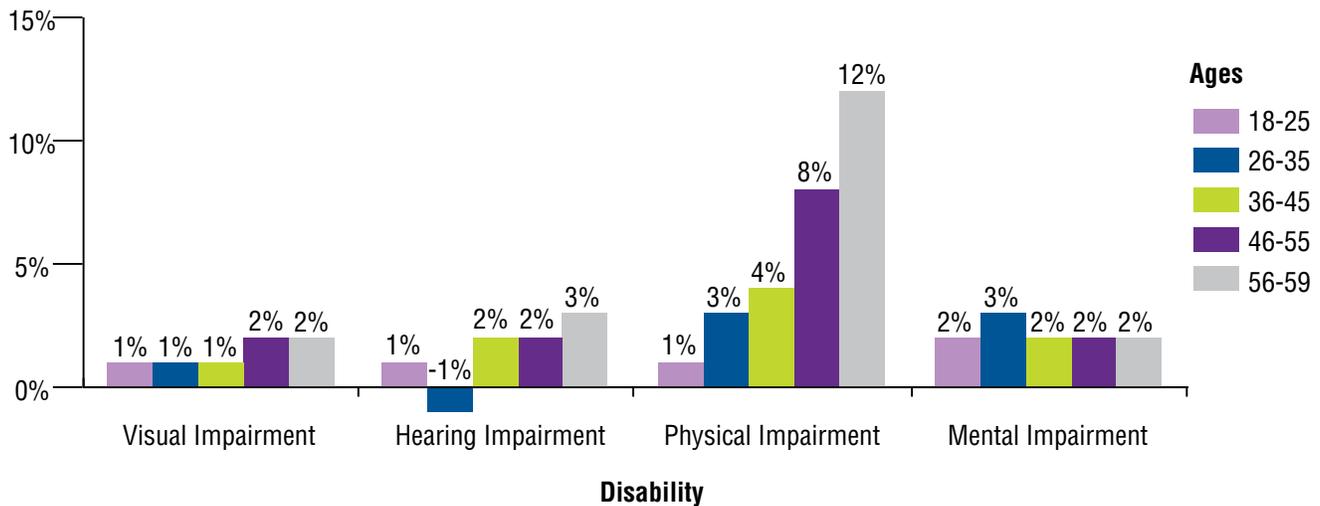
Figure 1: Age Distribution of Disabled and Non-Disabled Taxpayers



Source: Benchmark survey respondents ages 18 to 59

On the Benchmark survey, eight percent of the all respondents ages 18 to 59 indicated that they had a physical impairment (not shown in chart). Figure 2 reports the percent of all taxpayers within age groups with an impairment. The presence of a physical impairment increased with age, going from 1% for the 18-25 year olds to 12% of the 56-59 year olds, suggesting that this type of disability may be age related. The percentage of respondents who indicated that they had a mental impairment was consistent among the age groups.¹¹ The visually impaired represented 1% of the respondents and was consistent across age groups.¹² The hearing impaired represented 1% of the respondents.

Figure 2: Percent of Taxpayers Reporting Specific Disabilities by Age Groups



Source: Benchmark survey respondents ages 18 to 59

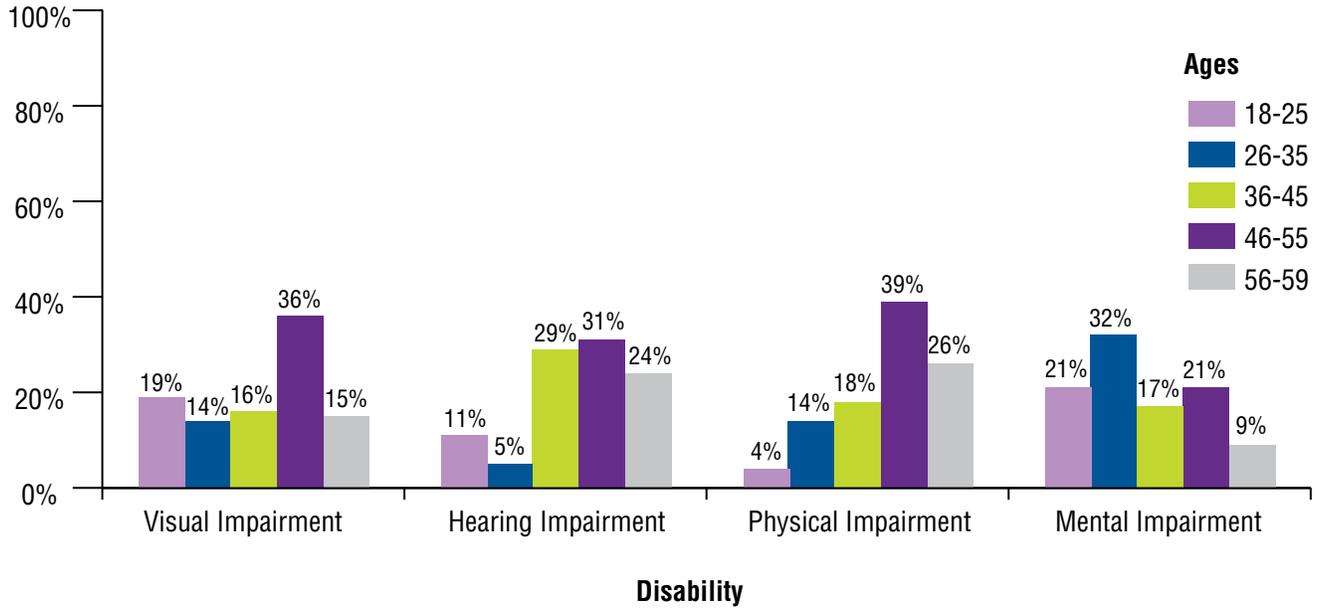
¹² The Benchmark survey was a paper instrument and self-administered. It is possible mentally impaired taxpayers were less likely to respond to the survey because of their inability to complete the survey without assistance.

¹² The Benchmark survey was a paper instrument and not provided in Braille. It is possible blind taxpayers were less likely to respond to the survey because of their inability to complete the survey without assistance.

Findings

Figure 3 shows the age distribution for each impairment. Each of the types of disabilities had the highest percentage of respondents between ages 46 to 55, except for taxpayers with a mental impairment, which peaked at ages 26-35.

Figure 3: Age Distribution within Impairment Categories



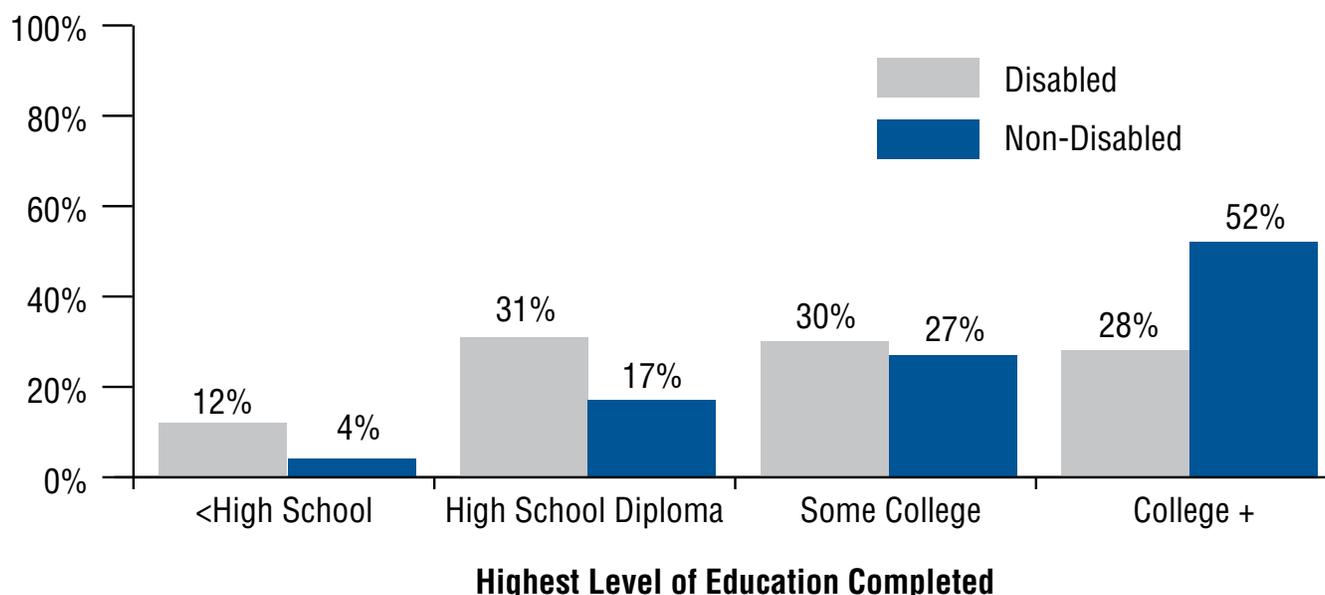
Source: Benchmark survey respondents ages 18 to 59 with at least one impairment

Education

The Benchmark survey asked the respondents to, “Please identify your highest completed level of education.” The responses were combined into four categories: Less than a High School Diploma (grade school or some high school), High School Diploma (high school diploma or GED), Some College (trade school, associates degree or some college without a degree) and College + (bachelors degree, master’s degree, doctoral degree or professional degree (Medical or Law)).

Figure 4 shows the highest level of education completed by Benchmark respondents.

Figure 4: Highest Level of Education Completed



Source: Benchmark survey respondents ages 18 to 59

Disabled taxpayers reported having less education. The largest difference between the two groups was those reporting a college education. About 28% of the disabled respondents reported having a college degree or higher, compared to 52% of non-disabled respondents.

Disabled respondents from the Benchmark survey indicated receiving more education than disabled US residents overall. One-fourth of disabled US residents ages 18 to 59 have less than a high school education (ACS), which is twice the level reported from the Benchmark survey. It is possible some of the difference is attributable to the less educated being less likely to respond to the Benchmark survey. Additionally, the less educated are less likely to file a tax return. From the Forrester Mail survey, 52% of disabled respondents with less education than a high school diploma did not file a tax return, versus 34% of disabled respondents with at least a high school education.

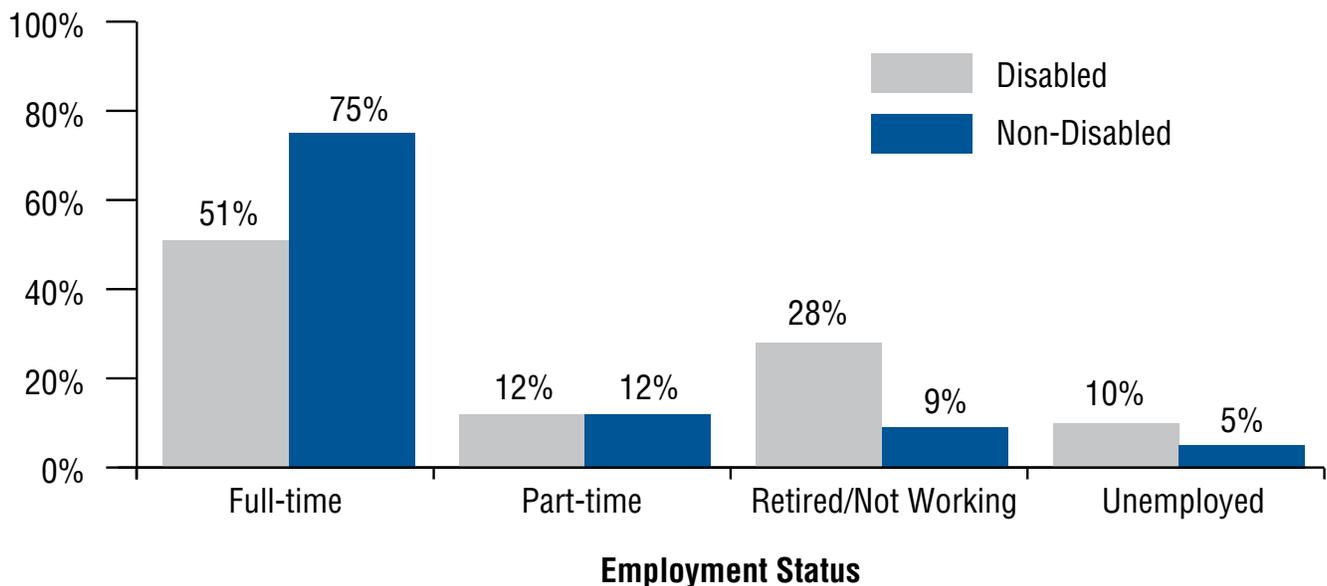
¹³ The ACS survey indicates US residents with less than a high school diploma are less likely to respond to a survey. ACS respondents with less than a high school diploma had the highest average weight. Since ACS is designed to sample all households over a certain period, one would expect the weights to be uniform if response rates were equal.

Findings

Employment Status

Question 22 of the Benchmark survey requested the respondents' employment status. Disabled taxpayers were less employed than their non-disabled counterparts. Just over half (51%) of the disabled taxpayers indicated that they were working full time, compared to 75% of the non-disabled taxpayers. The percentage of retired/not working¹⁴ respondents was higher for the disabled at 28% compared to only 9% of the non-disabled. Figure 5 displays the employment status for the disabled and the non-disabled respondents.

Figure 5: Employment Status



Source: Benchmark survey respondents ages 18 to 59

When compared to ACS, Benchmark respondents were more likely to be employed. Only 40% of ACS disabled ages 18 to 59 were employed (full or part time), 52% were not working, and the remaining 8% were unemployed in 2004. The Benchmark survey reported 5.0 million returns from disabled taxpayers that were working. ACS indicated there were 6.6 million employed persons with a disability ages 18 to 59; and, they represented 6.3 million households. When analyzed in tandem, it appears there are 1.3 to 1.6 million more tax returns¹⁵ that could be filed from working disabled residents ages 18 to 59 (20% to 24% of disabled workers ages 18 to 59).¹⁶

¹⁴ Includes those who are not seeking employment.

¹⁵ This analysis does not imply that the non-filers had any requirement to file a return.

¹⁶ The same analysis also was completed for all disabled respondents in labor force, not just presently employed. There were an estimated 5.8 million returns from disabled respondents to the Benchmark survey and 7.8 million disabled respondents to the ACS in the labor force.

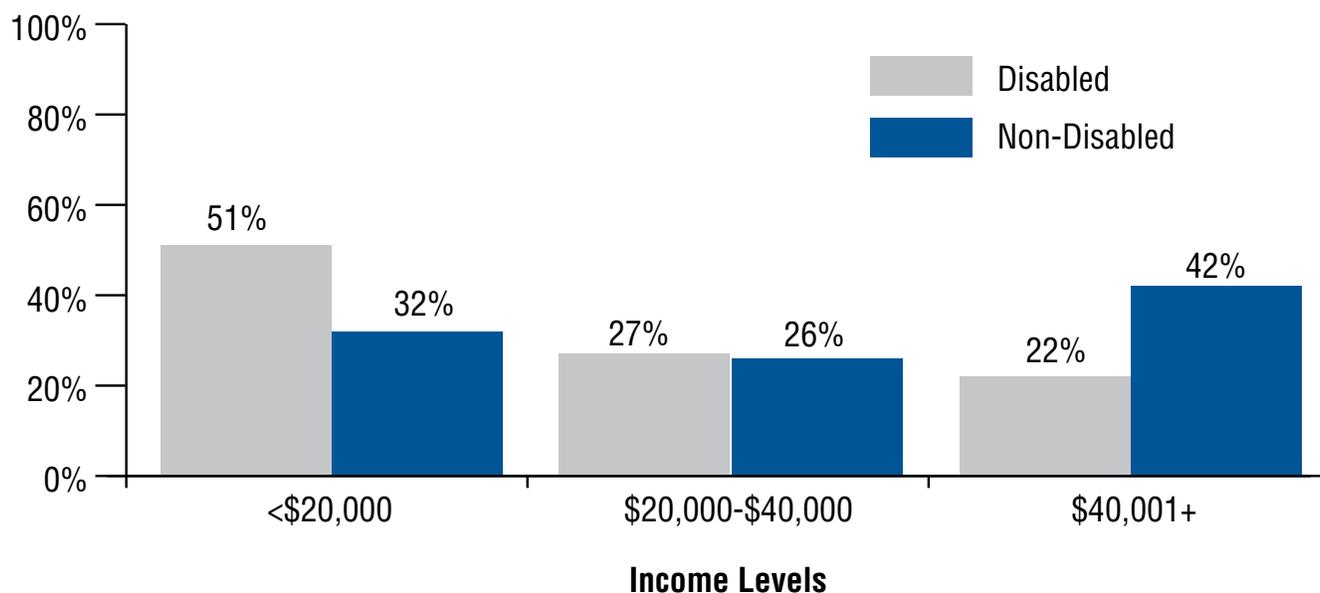
Income

The AGI for the Benchmark survey respondents was obtained from their corresponding TY2004 tax returns. AGI was grouped into three categories:

- AGI less than \$20,000 (including those with no income)
- AGI between \$20,000 and \$40,000 and
- AGI over \$40,000.

Figure 6 shows the AGI distribution of the disabled and non-disabled taxpayers. Disabled taxpayers generally reported less AGI on their tax return than non-disabled taxpayers. A greater percentage of disabled respondents (51%) had AGI less than \$20,000 compared to 32% of non-disabled taxpayers; and, disabled respondents were less likely to have an AGI over \$40,000 (22% versus 42%). Employment status (44% of disabled taxpayers with less than \$20,000 AGI were unemployed or not working) and level of education (14% of disabled taxpayers with less than \$20,000 AGI have less than a high school diploma) were likely contributing to the lower income of disabled taxpayers.

Figure 6: AGI Distribution



Sources: TY2004 IRTF¹⁷ & Benchmark survey respondents ages 18 to 59

Benchmark results were similar to the income that disabled respondents reported on ACS. Like Benchmark, 51% of disabled ACS respondents had less than \$20,000 total income (including those with no income), with 20% having a total income between \$20,000 and \$40,000.

¹⁷ Individual Return Transaction File.

Findings

W&I Research explored the types of income that disabled residents reported to ACS. Table 2 displays the number and percent of US residents with certain types of income. Disabled respondents were much more likely to report Supplementary Security and Social Security income (at least 15% versus 1%) and were much less likely to report Wage income (48% versus 82%).

Table 2: Types of Reported Income from ACS

Income Type	Non-Disabled		Disabled	
	Count	Percent	Count	Percent
Wage	122,143,000	82%	7,936,000	48%
Social Security	1,340,000	1%	2,834,000	17%
Supplementary Security	303,000	<1%	2,520,000	15%
Retirement	3,309,000	2%	1,719,000	10%
Interest, Dividends, Rental	19,011,000	13%	1,453,000	9%
Self-Employment	11,414,000	8%	866,000	5%
Public Assistance	1,681,000	1%	820,000	5%

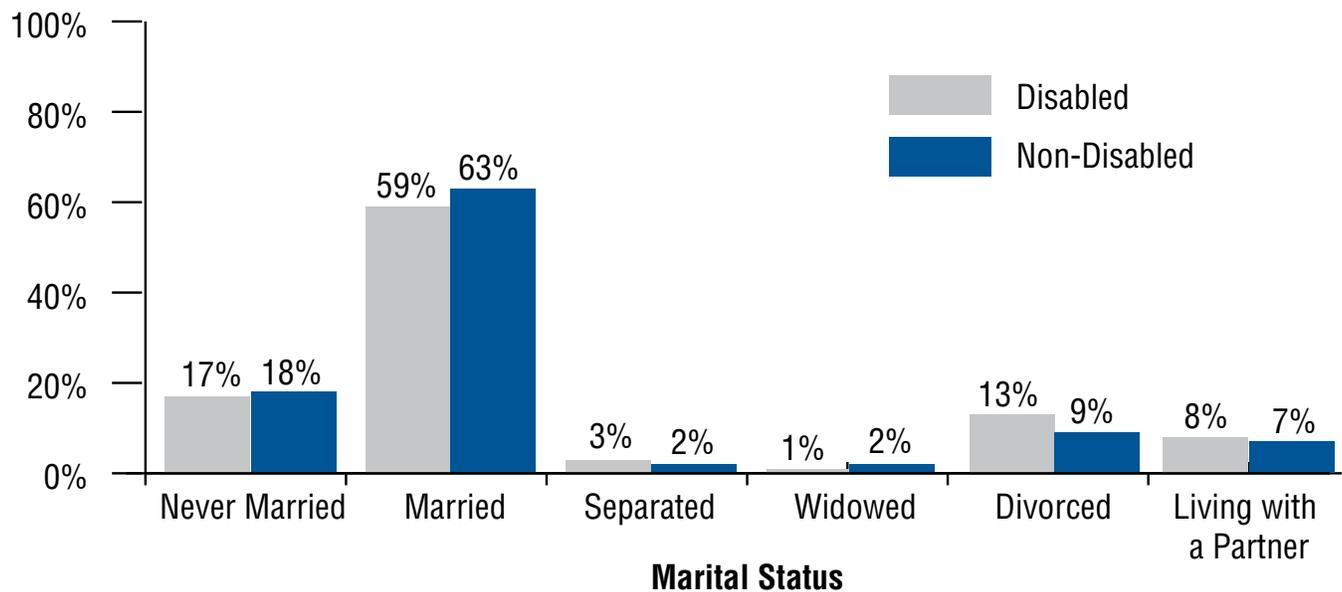
Sources: 2004 ACS respondents ages 18 to 59



Marital Status

The Forrester Mail survey was used to examine the marital status of the disabled and the non-disabled respondents. The marital status of the disabled and the non-disabled respondents were similar. The majority of the disabled were married (59%), as were the majority of the non-disabled (63%). Figure 7 shows the marital status of the disabled and the non-disabled respondents.

Figure 7: Marital Status of Forrester Mail Survey Respondents



Source: Forrester Mail survey respondents ages 18 to 59

Health

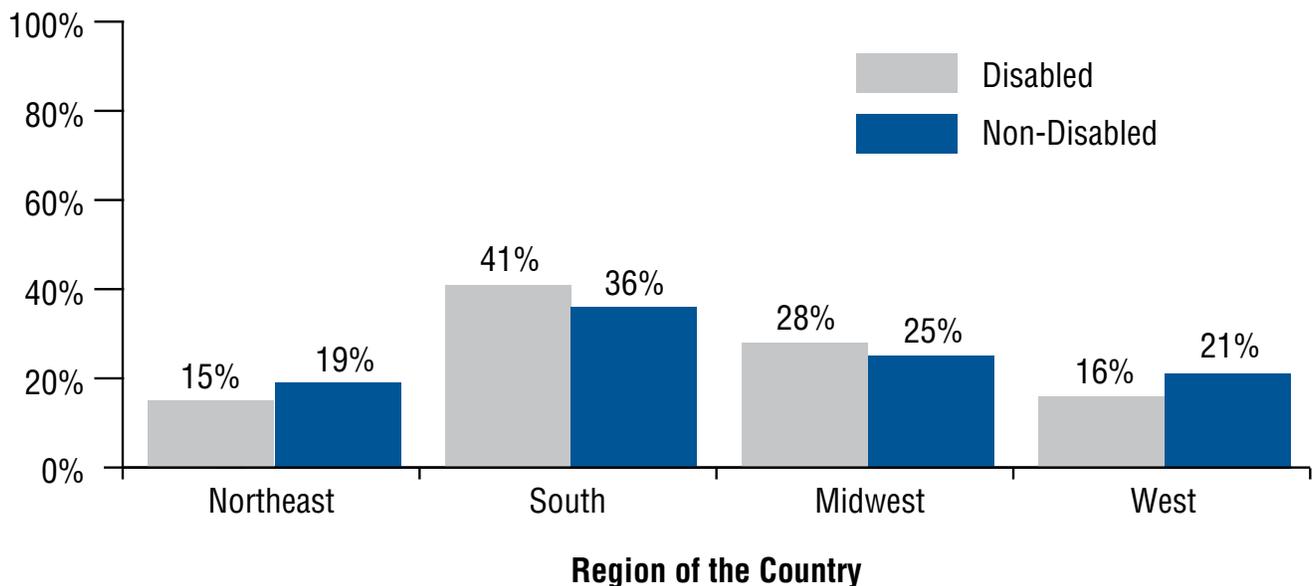
Question 23 of the Benchmark survey asked respondents if any “of the following events have occurred to you in the last 12 months.” Among the choices were “Diagnosed with a serious illness.” Disabled respondents were much more likely to select ‘serious illness’ (21%) than non-disabled respondents (2%). It is probable that the illness is contributing to the taxpayer’s disability. The median age of respondents indicating a serious illness was 45 years old, compared to 37 years old for respondents not reporting a serious illness.

Findings

Geographic Region of the Country

The United States was divided into four geographic regions,¹⁸ as defined by the Census Bureau. The address of the respondent was obtained from their corresponding tax return. Figure 8 shows the region of the country where the respondent lived; the majority of taxpayers lived in the South and the Midwest. There is no difference in the geographic distribution of disabled and non-disabled respondents.

Figure 8: Geographic Location



Sources: IRTF & Benchmark survey respondents ages 18 to 59

¹⁸ Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.

South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia.

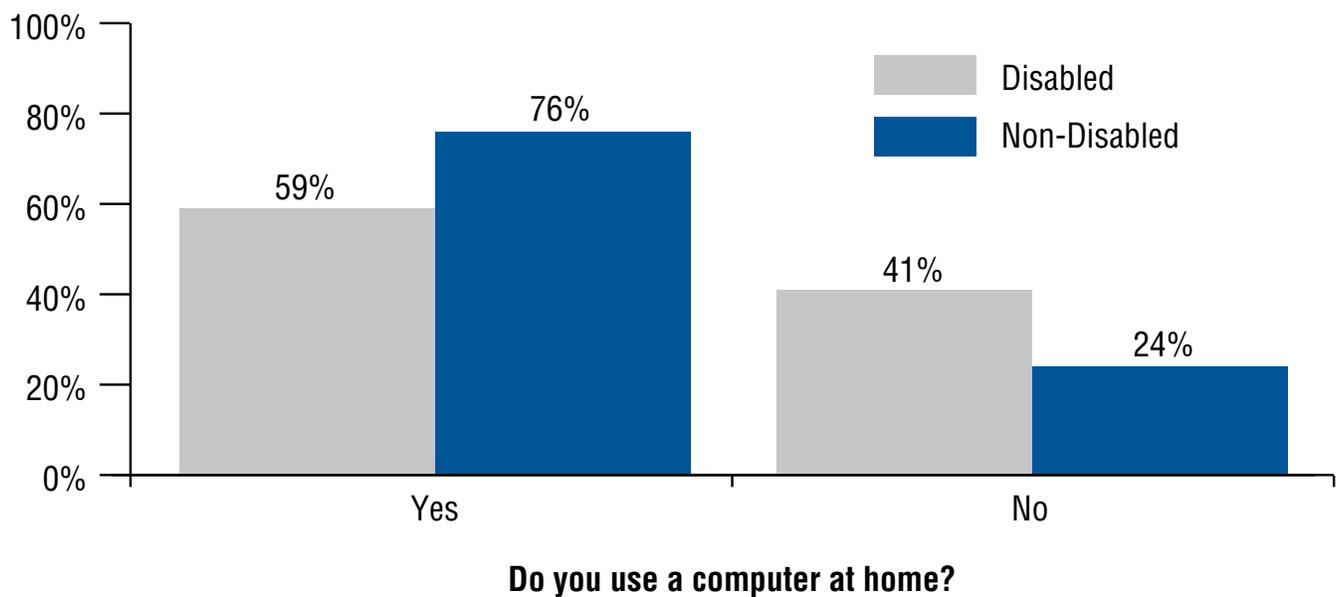
Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin.

West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.

Computer at Home

The Market Segment survey asked the respondents if they use a computer at home. Figure 9 shows the percentage of disabled and non-disabled respondents who use a computer at home. A majority of respondents reported having a computer at home; however, disabled respondents were less likely to report a computer (59% of the disabled W&I taxpayers versus 76% of the non-disabled W&I taxpayers). Differences between disabled and non-disabled respondents shown in this chart are statistically significant.

Figure 9: Market Segment Survey Respondents with a Computer at Home



Source: Market Segment survey, Wage & Investment respondents ages 18 to 59



Findings

Return Characteristics

Several of the return characteristics for Benchmark respondents were analyzed. The median value is used as the comparison measure between disabled and non-disabled respondents when the variable of interest is continuous.¹⁹ Table 3 shows the median return characteristics for the disabled and non-disabled Benchmark respondents.

Table 3: Median Amounts for AGI, Wages, Refund/Balance Due, and EITC Received

	Non-Disabled	Disabled	All Benchmark	IRTF Filers
AGI	\$33,800	\$19,100	\$31,800	\$30,700
Wages	\$30,300	\$15,600	\$29,000	\$27,800
Refund/Balance Due	\$1,000 Refund	\$900 Refund	\$1,000 Refund	\$1,100 Refund
Refund Only ²⁰	\$1,400	\$1,300	\$1,400	\$1,500
Balance Due Only ²¹	(\$800)	(\$700)	(\$800)	(\$900)
EITC Received	\$1,000	\$800	\$1,800	\$1,900

Source: Benchmark survey respondents ages 18 to 59 and IRTF

The median AGI for the disabled respondents was \$19,100, significantly less than the AGI of non-disabled respondents (\$33,800). This finding is consistent with the earlier income distribution that 51% of the disabled respondents have an AGI less than \$20,000. The median wage amount for disabled taxpayers was \$15,600, which is almost half of the median wage amount for the non-disabled taxpayers (\$30,300). The median amount of Earned Income Tax Credit (EITC) received by the disabled taxpayers was \$800, which is less than half of the median amount received by non-disabled taxpayers (\$1,800).²² The median credit was smaller for disabled taxpayers because they had fewer children eligible to be claimed for the credit.

The presence of certain forms and return items associated on the tax returns such as Form EITC and Schedule A was examined. Table 4 displays the presence of EITC, Schedule A and medical deductions. The reader should note that EITC recipients were less likely to respond than taxpayers who did not claim EITC and the weighting scheme did not directly address the non-response bias of EITC recipients. The table shows there were 17.4 million taxpayers ages 18 to 59 that received EITC; however, the actual number of taxpayers receiving EITC for TY2004 and between the ages of 18 to 59 was 21.3 million. The difference is attributable to under response of EITC recipients.

¹⁹ The median is used rather than the mean (average) because it is less resistant to outliers.

²⁰ There were 6.6 million disabled respondents with a refund and 74.8 million non-disabled respondents with a refund estimated from the Benchmark survey. IRTF showed 84.9 million taxpayers with a refund.

²¹ There were 1.0 million disabled respondents with a balance due and 15.1 million non-disabled respondents with a balance due from the Benchmark survey. IRTF showed 15.4 million taxpayers with a balance due.

²² The median amount of EITC received was zero. The median EITC reported is for those taxpayers who had an EITC amount greater than zero.

Table 4: Presence of Form EITC, Schedule A, and Medical Deductions

	Non-Disabled		Disabled		Benchmark Total		IRTF Filers	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
EITC	14,842,000	16%	2,512,000	32%	17,354,000	18%	20,566,000	20%
Schedule A	34,814,000	38%	2,262,000	29%	37,076,000	38%	36,075,000	36%
Medical Deductions	4,100,000	5%	902,000	11%	5,002,000	5%	4,675,000	5%

Source: Benchmark survey respondents ages 18 to 59 and IRTF

EITC was present on 32% of the tax returns filed by the disabled respondents and 16% of the returns filed by the non-disabled respondents. Disabled taxpayers appear to be receiving EITC more often than the non-disabled respondents, while receiving a smaller credit amount.

Schedule A was filed by 29% of the disabled taxpayers and 38% of the non-disabled taxpayers, but disabled taxpayers appear twice as likely to claim a medical deduction (11% of the disabled respondents versus 5% of the non-disabled respondents on all returns). When disabled taxpayers did itemize, they were about four times more likely to claim medical deductions (40% versus 12% on returns with a Schedule A), not shown in table.

The percent of disabled and non-disabled respondents filing electronically was also compared. The percentages were found to be the same, with 59% of both groups filing electronically. In addition, there was no difference in disabled and non-disabled taxpayers with respect to the W&I and Small Business/ Self Employed (SB/SE) business operating divisions; both groups had about 30% of respondents in SB/SE.

Findings

Tax Return Preparation

The preparation methods of the Benchmark respondents' tax returns were analyzed (Table 5). However, because of the very small number of the disabled respondents for groups outside of self and paid prepared, (10 disabled Benchmark respondents ages 18 to 59 that visited either a VITA²³, Military VITA, or TCE²⁴), population estimates of VITA, Military VITA, and TCE are not projected from the Benchmark survey.

Table 5: TY04 Tax Preparation Method, Compared to IRTF Filers

	Non-Disabled		Disabled		Benchmark Total ²⁵		IRTF Filers	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Self Prepared	38,302,000	42%	2,417,000	31%	40,719,000	41%	42,210,000	41%
Paid Prepared	51,338,000	56%	5,129,000	66%	56,437,000	57%	58,341,000	58%
VITA	–	–	–	–	–	–	494,000	<1%
Military VITA	–	–	–	–	–	–	301,000	<1%
TCE	–	–	–	–	–	–	378,000	<1%

Source: Benchmark survey respondents and IRTF taxpayers ages 18 to 59

Disabled taxpayers appear to be more inclined to obtain the assistance of a paid preparer to complete their tax return. In TY04, approximately 31% of the disabled respondents prepared their own taxes, compared to 42% of non-disabled taxpayers.

²³ Volunteer Income Tax Assistance. A program that offers free basic tax return preparation for taxpayers with special needs, including persons with disabilities, and those with a low to limited income, Limited English Proficiency, and elderly taxpayers.

²⁴ Tax Counseling for the Elderly

²⁵ The total number of projected Benchmark returns is less than the IRTF number of returns filed because some Benchmark respondents did not answer the disability question (weighted total of 853,000 returns) and the IRTF data included foreign and deceased taxpayers, which were not included in the Benchmark sample.

The Forrester Mail survey asked the question, “Who completed your Federal income tax return this year?” About half (52%) of the disabled respondents and 42% of the non-disabled said they used a professional tax preparer.²⁶ Those who answered “A professional tax preparer” were asked, “Why did you choose to do this?” The results were similar for both the disabled and the non-disabled taxpayers. The top reason for using a paid preparer was “professional tax preparers keep track of the latest changes in the tax law.” The second most cited reason was that “professional tax preparers are more accurate.” Table 6 shows the distribution of reasons why disabled and non-disabled taxpayers used a paid preparer.

Table 6: Reasons Forrester Respondents used a Paid Preparer²⁷

Reason	Disabled	Not Disabled
My family has always used a professional preparer.	7%	7%
Professional tax preparers can get my tax refund faster.	9%	7%
Using a professional tax preparer will keep me from being audited.	5%	5%
Professional tax preparer can get the most refund for me.	17%	14%
Professional tax preparers are more accurate.	22%	19%
Professional tax preparers can keep track of the latest changes in the tax law	33%	26%
Other	11%	9%

Source: Forrester Mail survey respondents ages 18 to 59

²⁶ The Benchmark Survey showed 66% of disabled and 56% of the non-disabled respondents used a paid-preparer in TY2004. The percent of TY04 returns filed in 2005 using a paid preparer was 61% (58% of those aged 18 to 59).

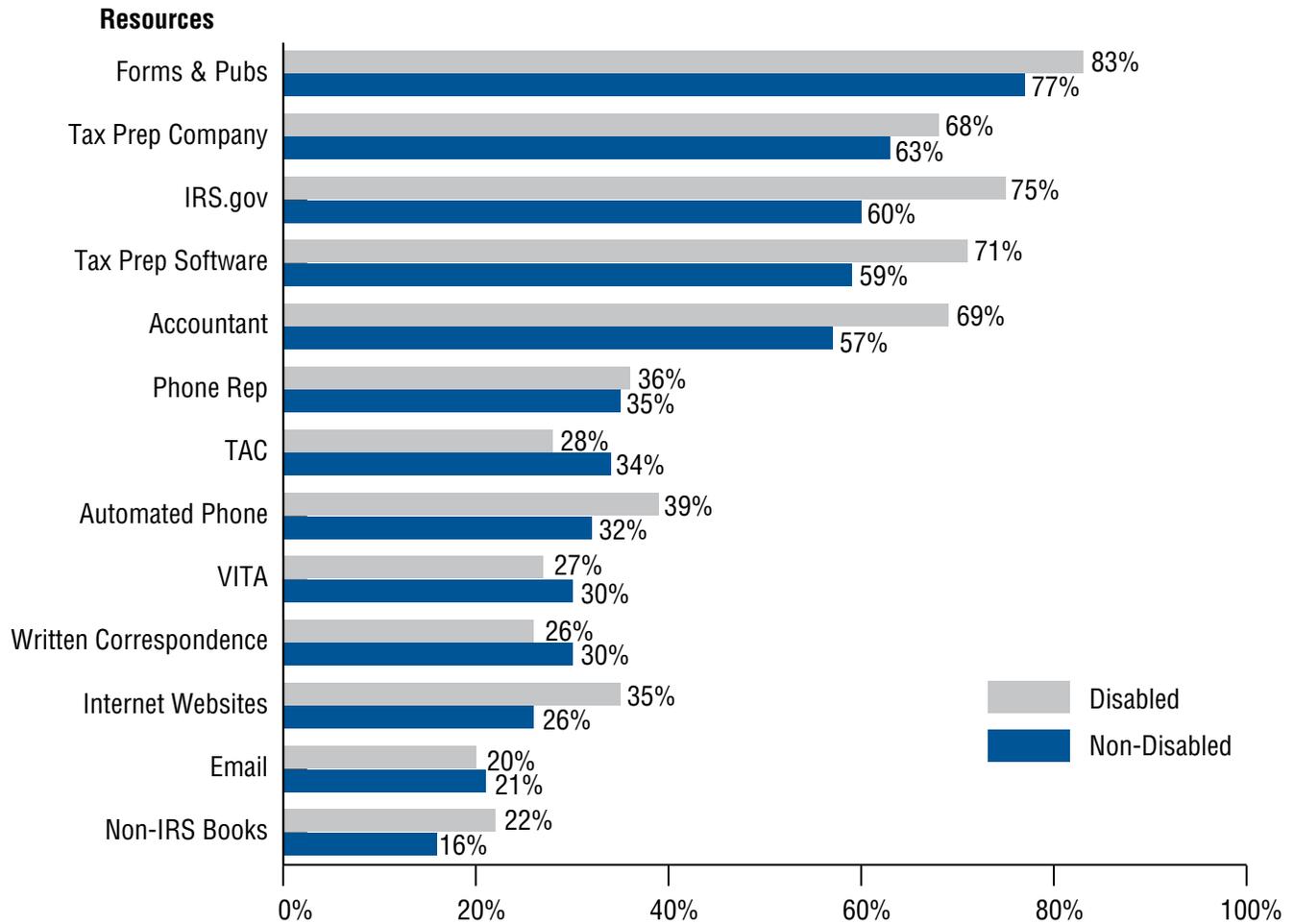
²⁷ Percentages do not total to 100% because respondents could have chosen more than one option.

Findings

Awareness of Tax Resources and Services

The Benchmark survey asked the respondents to select all of the tax resources and services that they were aware of to obtain assistance in completing their tax returns. This was a multiple response question and the respondents were asked to choose all that apply. Figure 10 shows the awareness of tax resources and services available for tax assistance.

Figure 10: Awareness of Tax Resources and Services Available



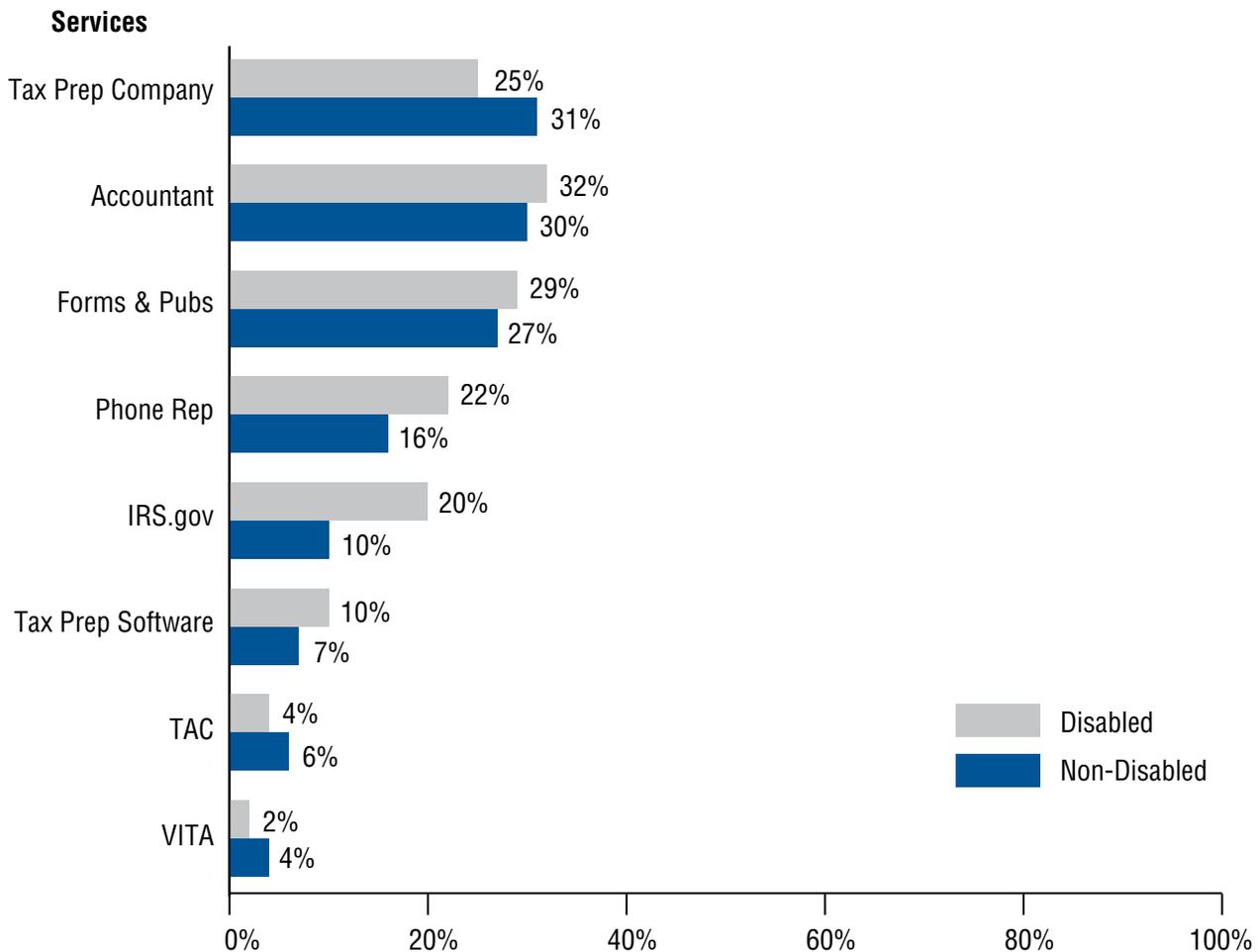
Source: Benchmark survey respondents ages 18 to 59

The disabled respondents were most aware of IRS Forms and Publications (77%) and Tax Preparation Companies (63%). They were also generally aware (more than half of the disabled respondents) of IRS.gov, Tax Preparation Software, and Accountants. The largest difference in awareness between disabled and non-disabled respondents was IRS.gov (60% versus 75%).

Use of Tax Resources and Services

Question 2 of the Benchmark survey asked, “Which of the following tax resources and services, if any, did you use when completing your 2005 tax return?” Respondents were allowed to select all that applied. Figure 11 shows the services used by Benchmark respondents.²⁸

Table 6: Reasons Forrester Respondents used a Paid Preparer²⁷



Source: Forrester Mail survey respondents ages 18 to 59

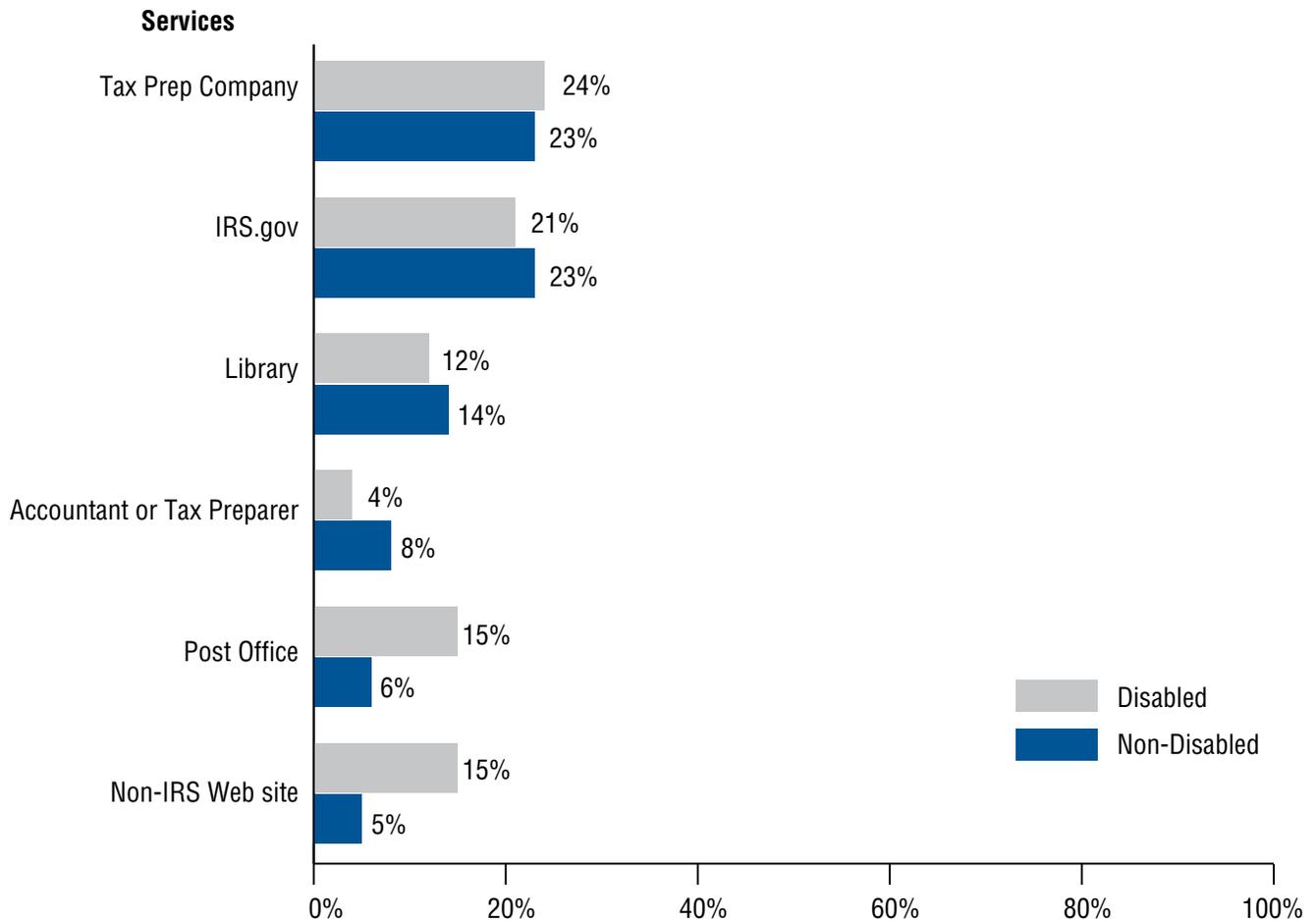
The most frequently selected Resource/Service identified as used to complete a 2005 tax return by respondents with a disability was Tax Prep Companies (31%), Accountant, (30%), and Forms and Pubs (27%) . Among non-disabled respondents, Accountant (32%) was the most frequently selected Resource/Service. The use of services among the disabled and non-disabled taxpayers are similar, with Tax Prep Software having the largest gap in usage.

²⁸ Kiosks, Written Correspondence, Email, Phone Rep, and Automated Phone are not shown in the figure as each was selected by less than five percent of all respondents.

Findings

The Market Segment survey asked the question, “Where did you go to get your forms and instructions about filing your 2005 taxes?” Figure 12 shows where taxpayers obtained their forms and instructions. The top two locations for both the disabled and the non-disabled were Tax Preparation Software (23% and 24%) and the IRS Website (21% and 23%).

Figure 12: Locations used to Obtain Forms/Instructions by Market Segment Respondents

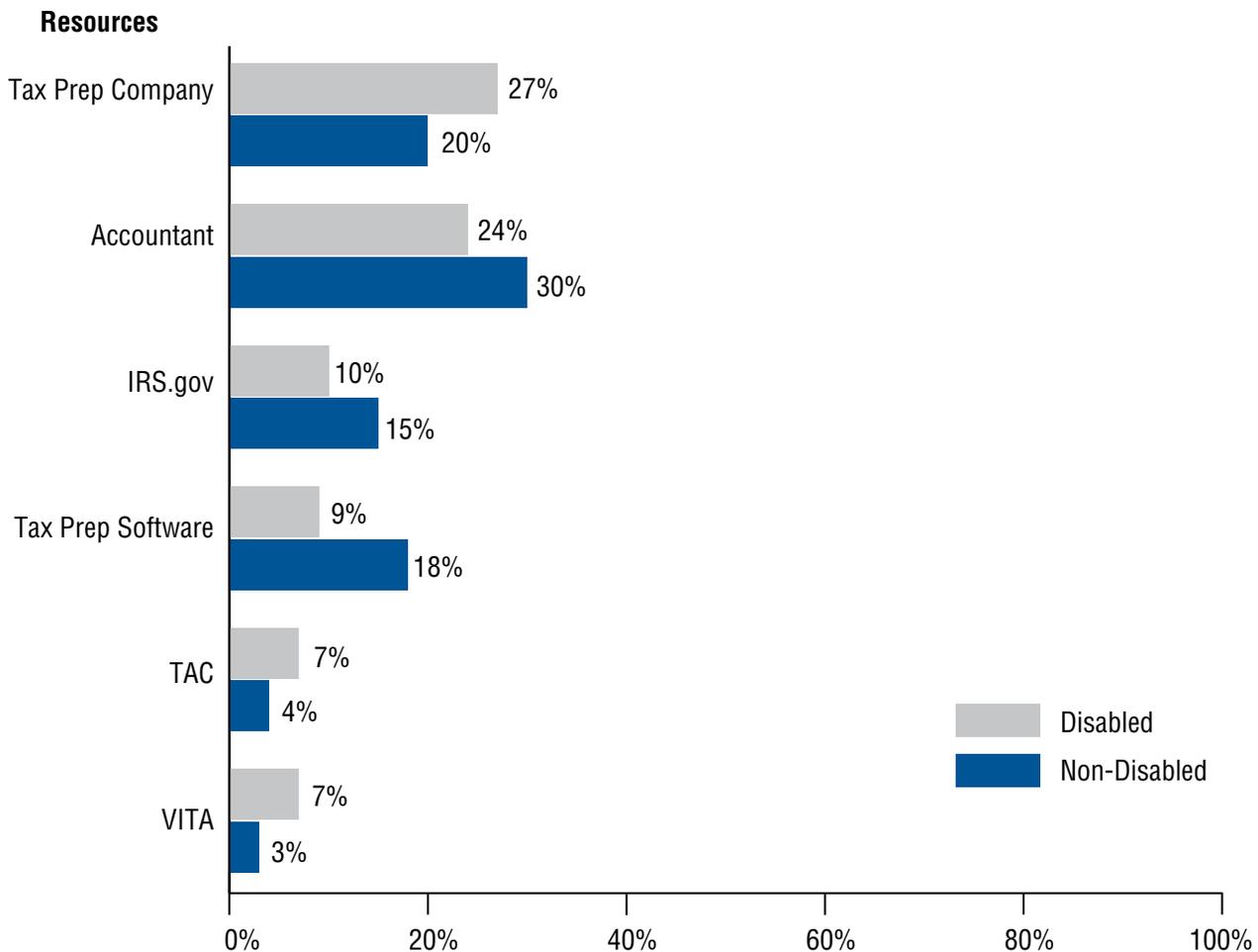


Source: Market Segment survey, Wage & Investment respondents ages 18 to 59

Preference of Tax Resources and Services

Question 3 of the Benchmark survey asked the question, “If you could use only one of the following resources or services to complete your tax return, which would you choose?” Figure 13 shows the preference for resources or services.²⁹

Figure 13: Preference of Resources or Services to Complete Tax Return



Source: Benchmark survey respondents ages 18 to 59

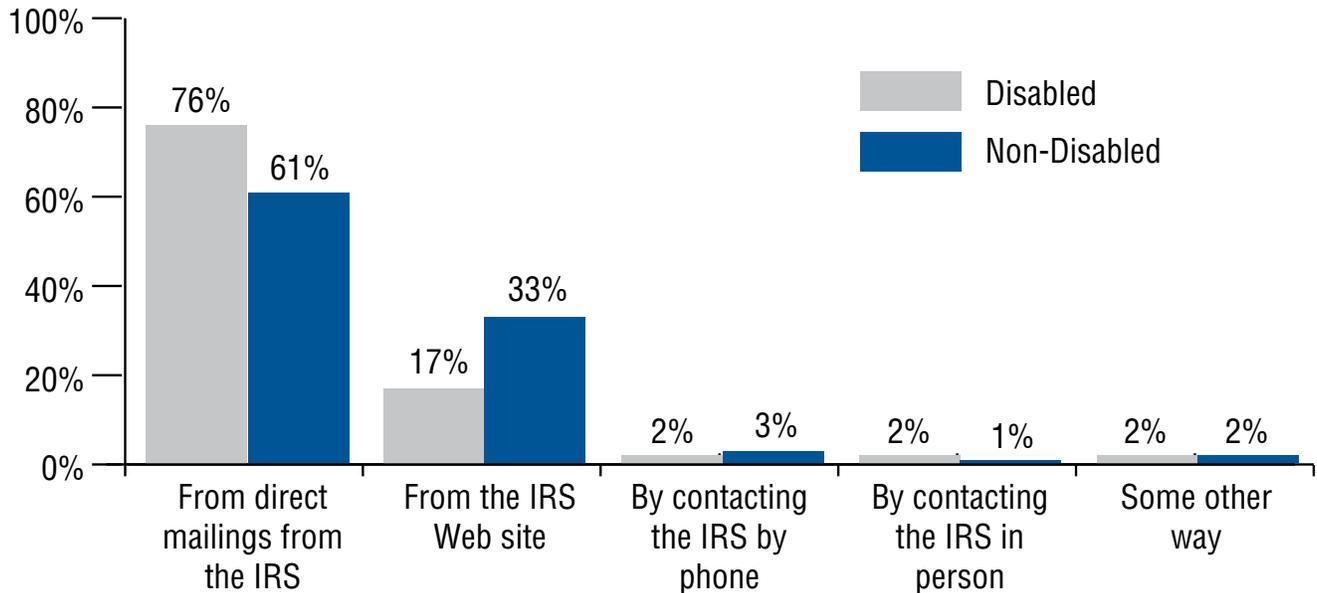
About half of the disabled respondents preferred to go to a Tax Preparation Company or an Accountant, which is similar to the non-disabled respondents. Overall, the disabled respondents are less inclined to use self-assistance channels (IRS.gov & Tax Preparation Software).

²⁹ Written Correspondence, Email, Automated Phone and Would Not Use Any are not shown as less than 5% of the respondents selected these choices.

Findings

The Market Segment survey also asked, “How do you prefer to get general tax information from the IRS?” Figure 14 shows the preferences of the respondents for obtaining information from the IRS.

Figure 14: Preference for Obtaining Tax Info from IRS by Market Segment Respondents



Source: Market Segment survey, Wage & Investment respondents ages 18 to 59

About three-fourths (76%) of the disabled Wage & Investment respondents prefer to obtain general tax information from direct IRS mailings, compared to 61% of the non-disabled W&I respondents. A considerably higher portion of non-disabled respondents prefers to use the IRS website (33%) than the disabled (17%).

The Market Segment survey also asked respondents about their satisfaction with the ease in getting their tax forms. There was no difference in satisfaction between the disabled and the non-disabled respondents; 78% of both groups were satisfied or extremely satisfied.

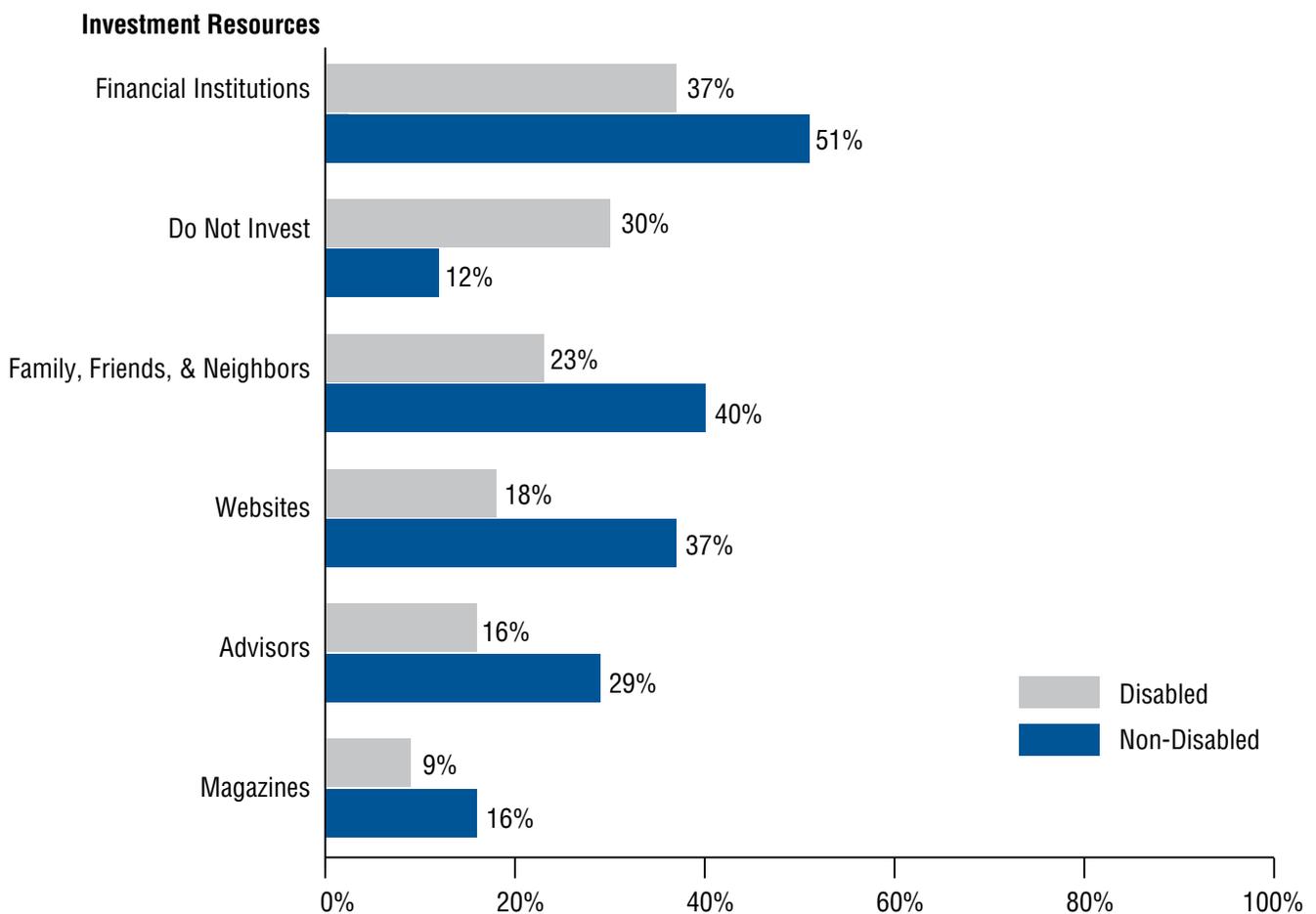
Finances

Savings/Investment Accounts

Question 4 of the Benchmark survey asked, “Over the past two years, which of the following resources have you used to find information about investing or saving? (Choose all that apply).” Figure 15 shows the various resources the respondents used for savings and investments. Overall, 30% of taxpayers with a disability reported that they do not invest or save, compared to 12% of non-disabled taxpayers. Although no questions in the survey asked why taxpayers chose these resources, it is plausible that some of those respondents that identified that they do not invest/save have low incomes that do not lend to saving or investing. Based on data from the Benchmark survey, 39% of disabled taxpayers ages 18 to 59 that responded that they did not invest/save had an AGI less than \$20,000. Financial institutions (Banks, Savings and Loan, etc.) were the resource most frequently selected by both groups (37% of disabled taxpayers and 51% of non-disabled taxpayers).

The Forrester Mail survey found 31% of the disabled respondents had an investment account, compared to 52% of the non-disabled respondents.

Figure 15: Resources Used for Savings and Investments



Source: Benchmark survey respondents ages 18 to 59

Findings

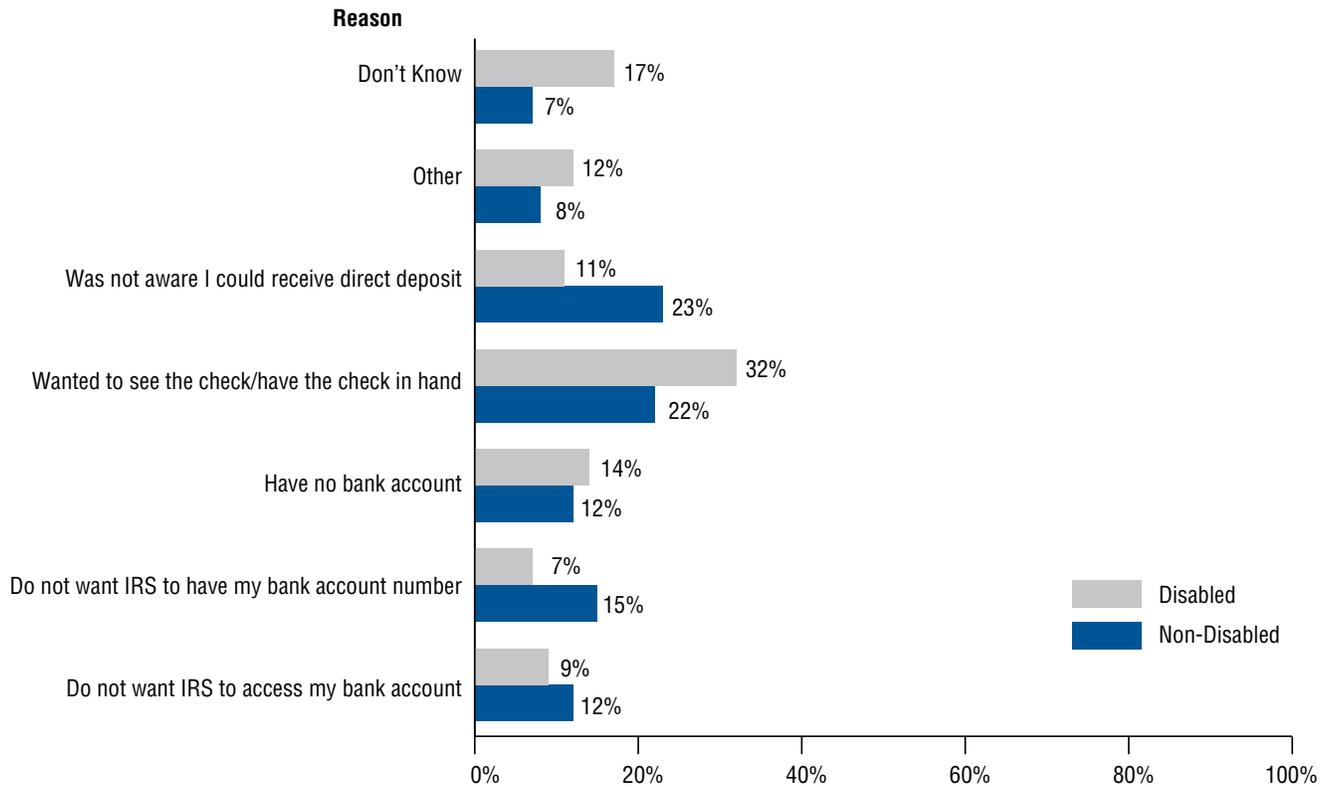
Checking Accounts

The Forrester Mail survey also asked the respondent to indicate at which bank they have a checking account. Of the disabled taxpayers, 11% said that no one in their household had a checking account, compared to 5% of the non-disabled taxpayers.

Direct Deposit

The Market Segment survey asked taxpayers who received a refund if they received it through direct deposit. Disabled respondents with a refund were less likely to report receiving it via Direct Deposit (44% versus 59%). Figure 16 shows the reasons why taxpayers did not use direct deposit; it shows 27% of disabled respondents did not want the IRS to know their bank account number or have access to their account. Additionally, 23% of disabled respondents were not aware of the service and 22% wanted to have the check in their hand.

Figure 16: Reasons Market Segment Respondents did not Use Direct Deposit



Source: Market Segment survey, Wage & Investment respondents ages 18 to 59

1. Taxpayers with disabilities need more marketing to improve awareness of SPEC services as only 30% of disabled Benchmark respondents indicated awareness of VITA. Additionally, there may be over a million disabled workers ages 18 to 59 that are not filing a tax return and may be missing tax credits. The awareness of the non-filing disabled workers is unknown.
2. SPEC could promote VITA services by marketing their accuracy and awareness of tax law changes as 55% percent of disabled respondents indicated those were the two reasons they went to paid preparers. Additionally, consistency with volunteer services that are provided (i.e. same locations from year to year) will allow disabled taxpayers to plan, feel comfortable, and view the service as reliable.
3. Information targeted to disabled taxpayers should be presented via mail (76% prefer direct mailings), in as simple a format as possible (25% of US disabled population ages 18 to 59 have less than a high school diploma). Disabled taxpayers are also less likely to have a computer at home than their non-disabled counterparts, making it more difficult for them to receive the information electronically.
4. As 25% of disabled US residents have difficulty going out, they may welcome tax assistance that is home oriented.



Outreach Possibilities

As relatively few of the disabled taxpayers know about volunteer services (and many may not be filing a tax return), W&I Research brainstormed some potential ways to educate the disabled population about SPEC & VITA. The ideas are listed below:

1. Educate the disability service providers.

Service providers work closely with the disabled population and likely have a degree of trust developed with their clients. Educating the service providers gives the disabled population another channel in which to learn about volunteer tax preparation services.

2. Partner with the Social Security Administration.

As disabled taxpayers prefer to receive direct mailings, include information on free tax filing sites with the 1099-R SSA mailings in January.

3. Hospital/Pharmacy Information Brochures.

Over 20 percent of disabled taxpayers indicated they had a serious illness in the previous year. It is possible the illness is a result of the disability or a contributor to the disability. Having an informational brochure available to disabled taxpayers at hospitals, clinics, and pharmacies would be another opportunity to educate disabled taxpayers.

4. Distribute information through employers.

The majority of disabled taxpayers are employed in either full-time or part-time jobs. It appeared that 1.3 to 1.6 million more tax returns could be filed from working disabled residents ages 18 to 59. Focusing on disseminating information through human resource departments, employee support services, or equal employment opportunity offices would offer another avenue for disabled taxpayers to learn about different volunteer tax services.

If SPEC can inform the taxpayer at the onset of the disability about its programs, SPEC will have a better chance of assisting the disabled taxpayer when it comes to filing a tax return. People are creatures of habit and will turn to channels that have worked in the past. If a taxpayer does not know about SPEC's services, then they cannot use them; and they will be forced to use other channels (or not file a tax return).

W&I Research proposes the following research projects to further our knowledge of disabled taxpayers:

1. Design research studies to survey blind workers and taxpayers.

The primary instrument used for this project was a paper survey, which likely missed blind taxpayers in greater proportions than other taxpayers. A study designed specifically for the blind that obtains a sufficient sample may yield findings not previously known.

2. Research disabled workers with less than a High School education.

A substantial percentage of disabled US residents have less than a High School education. It may be beneficial to determine how they view taxes, as this is the group most likely to have a low income and therefore not file a tax return.

3. Research disabled working, non-filers.

Focus groups were previously conducted that provided insight into why some disabled workers do not file tax returns. Conducting a robust research project that determined a precise number of non-filing, working disabled and the reasons for not filing, would allow SPEC's partners to develop outreach strategies targeted specifically to this group.



Approval Statement

This report was approved by Eric J. Larsen for Susan Bohmer, Director of W&I Research on 14 May 2007

Benchmark Survey

OMB # 1545-1432

OPINION SURVEY OF TAXPAYER RESOURCES AND SERVICES

The IRS is trying to improve its service to the public. You can help in this important mission by answering the questions below. This voluntary survey takes less than ten minutes to complete. When completing this survey, simply fill in the appropriate circle next to the response that best applies to you. Your responses will be kept completely confidential. If you have any questions about this survey, you may call the Survey Processing Center at 1-866-377-8208.

Please completely fill in the correct circle. Make no stray marks on this form.

Correct Mark ●

Incorrect Marks



1. There are many tax resources and services individuals can use to help them complete their tax return. From the following list, please check the resources and services you are aware of: (Choose all that apply.)

- IRS forms and instruction booklets
- IRS website (www.irs.gov)
- IRS Taxpayer Assistance Centers (walk-in sites)
- Automated IRS phone system
- IRS phone representatives
- Email with the IRS
- Written correspondence with the IRS (other than email)
- IRS Kiosk (similar to an ATM)
- Volunteer tax preparation clinics
- Tax preparation company
- Non-IRS books and publications
- Personal accountant/bookkeeper
- Tax preparation software
- Internet websites (other than the IRS website)

2. Which of the following tax resources and services, if any, did you use when completing your 2005 tax return? (Choose all that apply.)

- IRS forms and instruction booklets
- IRS website (www.irs.gov)
- IRS Taxpayer Assistance Centers (walk-in sites)
- Automated IRS phone system
- IRS phone representatives
- Email with the IRS
- Written correspondence with the IRS (other than email)
- IRS Kiosk (similar to an ATM)
- Volunteer tax preparation clinics
- Tax preparation company
- Non-IRS books and publications
- Personal accountant/bookkeeper
- Tax preparation software
- Internet websites (other than the IRS website)
- I did not use any of the above resources or services.
- Not applicable. I was not required to file a 2005 tax return.



3. If you could use only one of the following tax resources or services to complete your tax return, which would you choose?

- IRS website (www.irs.gov)
- IRS Taxpayer Assistance Centers (walk-in sites)
- Automated IRS phone system
- IRS phone representatives
- Email with the IRS
- Written correspondence with the IRS (other than email)
- IRS Kiosk (similar to an ATM)
- Volunteer tax preparation clinics
- Tax preparation company
- Non-IRS books and publications
- Personal accountant/bookkeeper
- Tax preparation software
- Internet websites (other than the IRS website)
- I would not use any of the above resources or services.

4. Over the past two years, which of the following resources have you used to find information about investing or saving? (Choose all that apply.)

- Financial institutions (Bank, Savings and Loan, etc.)
- Financial magazines
- Financial websites
- Financial software
- Financial advisors
- Family, friends, or neighbors
- News or business websites
- Other resources
- I do not use resources to find information about investing or saving.
- Not applicable. I do not invest or save.

Appendix A

Benchmark Survey



5. Over the past two years, which of the following resources have you used before making a large purchase (such as a television, washer and dryer, or refrigerator)? (Choose all that apply.)
- Product website
 - Product literature
 - Store website
 - Store mailer/advertisement
 - Family, friends, or neighbors
 - Consumer magazines
 - News reports
 - Store clerk
 - I have not used any of the above resources.
 - Not applicable. I have not made any large purchases in the past two years.
6. How would you prefer to receive information about tax law changes such as new deductions or changes in filing requirements?
- | | |
|--|---|
| <input type="radio"/> IRS publications | <input type="radio"/> Newspapers |
| <input type="radio"/> IRS written correspondence | <input type="radio"/> Tax preparation company |
| <input type="radio"/> IRS website (www.irs.gov) | <input type="radio"/> Accountant/bookkeeper |
| <input type="radio"/> Email | <input type="radio"/> Tax preparation software |
| <input type="radio"/> Television | <input type="radio"/> Volunteer tax preparation clinics |
| <input type="radio"/> Radio | <input type="radio"/> Non-IRS books and publications |
| <input type="radio"/> Magazines | <input type="radio"/> Other |
7. How do you access the Internet at home?
- A telephone modem
 - A cable modem
 - A DSL modem
 - A wireless device (PDA, cell phone, etc.)
 - Don't know
 - Not applicable. I do not access the Internet at home.
- For questions 8 through 14, we are interested in knowing if you would consider using a certain tax service in the future to perform a variety of tax-related activities. For each particular tax service (IRS website, Taxpayer Assistance Center, etc.), please check all of the tax-related activities you would be willing to perform using that service.**
8. Which tax-related activities would you perform in the future using the IRS website (www.irs.gov)? (Choose all that apply.)
- Get an IRS form or publication
 - Find an answer to a tax law question
 - Get help preparing a tax return or form
 - File a tax return or form
 - Set up a payment plan
 - Make a payment
 - Get information about a refund
 - Respond to a notice or letter received from the IRS
 - None. I would not complete any of these activities using the IRS website.
9. Which tax-related activities would you perform in the future using an IRS Taxpayer Assistance Center (walk-in site)? (Choose all that apply.)
- Get an IRS form or publication
 - Get information about completing a tax form
 - Find an answer to a tax law question
 - Get help preparing a tax return or form
 - File a tax return or form
 - Set up a payment plan
 - Make a payment
 - Get information about a refund
 - Respond to a notice or letter received from the IRS
 - None. I would not complete any of these activities using an IRS Taxpayer Assistance Center.
10. Which tax-related activities would you perform in the future using the IRS automated telephone system? (Choose all that apply.)
- Get an IRS form or publication
 - Get information about completing a tax form
 - Find an answer to a tax law question
 - Get help preparing a tax return or form
 - File a tax return or form
 - Set up a payment plan
 - Make a payment
 - Get information about a refund
 - Respond to a notice or letter received from the IRS
 - None. I would not complete any of these activities using the IRS automated telephone system.
11. Which tax-related activities would you perform in the future using email with the IRS? (Choose all that apply.)
- Get an IRS form or publication
 - Get information about completing a tax form
 - Find an answer to a tax law question
 - Get help preparing a tax return or form
 - File a tax return or form
 - Set up a payment plan
 - Make a payment
 - Get information about a refund
 - Respond to a notice or letter received from the IRS
 - None. I would not complete any of these activities using email with the IRS.

Benchmark Survey

12. Which tax-related activities would you perform in the future using written correspondence with the IRS? (Choose all that apply.)
- Get an IRS form or publication
 - Get information about completing a tax form
 - Find an answer to a tax law question
 - File a tax return or form
 - Set up a payment plan
 - Make a payment
 - Get information about a refund
 - Respond to a notice or letter received from the IRS
 - None. I would not complete any of these activities using written correspondence with the IRS.
13. Which tax-related activities would you perform in the future using a volunteer tax preparation clinic to complete? (Choose all that apply.)
- Get an IRS form or publication
 - Get information about completing a tax form
 - Find an answer to a tax law question
 - Get help preparing a tax return or form
 - File a tax return or form
 - Set up a payment plan
 - Make a payment
 - Get information about a refund
 - Respond to a notice or letter received from the IRS
 - None. I would not complete any of these activities using a volunteer tax preparation clinic.
14. Which tax-related activities would you perform in the future using an IRS phone representative? (Choose all that apply.)
- Get an IRS form or publication
 - Get information about completing a tax form
 - Find an answer to a tax law question
 - Get help preparing a tax return or form
 - File a tax return or form
 - Set up a payment plan
 - Make a payment
 - Get information about a refund
 - Respond to a notice or letter received from the IRS
 - None. I would not complete any of these activities using an IRS phone representative.
15. If you received a notice or letter from the IRS saying that you may owe more taxes, and you chose to call an IRS phone representative to get more information:
- a. How long do you think it would take before you were able to speak to a phone representative?
 - Immediately
 - 1 to 5 minutes
 - 6 to 10 minutes
 - 11 to 20 minutes
 - More than 20 minutes
 - b. How long do you think it would take to get all the information you need once you were talking with a representative?
 - Less than 5 minutes
 - 5 to 10 minutes
 - 11 to 20 minutes
 - 21 to 30 minutes
 - More than 30 minutes
 - c. How often do you think you would get all the information you need on the first call?
 - 90 - 100 percent of the time
 - 80 - 89 percent of the time
 - 70 - 79 percent of the time
 - 60 - 69 percent of the time
 - 50 - 59 percent of the time
 - Less than 50 percent of the time
16. If you needed help answering a question about tax law (such as finding out how to file estate taxes or when to itemize deductions), and you chose to contact an IRS phone representative to find the answer:
- a. How long do you think it would take before you were able to speak to a phone representative?
 - Immediately
 - 1 to 5 minutes
 - 6 to 10 minutes
 - 11 to 20 minutes
 - More than 20 minutes
 - b. How long do you think it would take to get all the information you need once you were talking with a representative?
 - Less than 5 minutes
 - 5 to 10 minutes
 - 11 to 20 minutes
 - 21 to 30 minutes
 - More than 30 minutes
 - c. How often do you think you would get all the information you need on the first call?
 - 90 - 100 percent of the time
 - 80 - 89 percent of the time
 - 70 - 79 percent of the time
 - 60 - 69 percent of the time
 - 50 - 59 percent of the time
 - Less than 50 percent of the time

Appendix A

Benchmark Survey



17. Please indicate your level of satisfaction with each of the following IRS tax services.

	Very Satisfied		Neutral		Very Dissatisfied		Not Applicable
IRS forms and instruction booklets	<input type="radio"/>						
IRS Website (www.irs.gov)	<input type="radio"/>						
IRS Taxpayer Assistance Centers (walk-in sites)	<input type="radio"/>						
Automated IRS phone system	<input type="radio"/>						
IRS phone representatives	<input type="radio"/>						
Email with the IRS	<input type="radio"/>						
IRS Kiosk (similar to an ATM)	<input type="radio"/>						

18. How easy or difficult was it for you to complete your 2005 tax return?

- Very easy
- Somewhat easy
- Neither easy nor difficult
- Somewhat difficult
- Very difficult
- Not Applicable. Someone other than me completed my tax return.
- Not Applicable. I was not required to file a tax return in 2005.

19. Do you have any of the following long-lasting conditions? (Choose all that apply.)

- Blindness
- Deafness
- Severe vision impairment
- Severe hearing impairment
- A condition that substantially limits physical abilities (such as walking or reaching)
- A condition that limits learning or remembering
- I do not have any of the above long-lasting conditions.

20. Please select the statement that best describes the language spoken in your household.

- English is the only language spoken
- English is the primary language spoken
- A language other than English is the primary language spoken

21. Please identify your highest completed level of education.

- Grade School
- Some High School
- High School Diploma/GED
- Trade School
- Some College
- Associate's Degree
- Bachelor's Degree
- Master's Degree
- Doctoral Degree
- Professional Degree (M.D., J.P.)

22. What is your employment status?

- Full time student
- Student, working full time
- Student, working part time
- Employed full time
- Employed part time
- Not employed, but looking for employment
- Not employed and not looking for employment
- Retired

23. Which of the following events have occurred to you, yourself, in the last 12 months? (Choose all that apply.)

- Retired
- Bought a car
- Bought a home
- Had/adopted a child
- Sold a home
- Diagnosed with a serious illness
- Moved
- Got married
- Been laid off
- Got divorced
- Changed jobs
- None of these

Paperwork Reduction Act Notice

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1432. Also, if you have any comments regarding the time estimates with this study or suggestions on making this process simpler, please write to the: Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224.

**Thank you for completing this survey.
Please return the questionnaire by mail, using the enclosed business return envelope.**

Comparison of Weighted Benchmark Demographics to the 2004 ACS

The following table provides the weighted responses by demographic category. The table contains **all respondents 18 years of age and older**, which is deviation from the rest of the report. The table is provided to demonstrate that the weighted Benchmark results compare well to the ACS.

	ACS		Benchmark	
Income	Disabled	Non-Disabled	Disabled	Non-Disabled
<\$20,000	51%	27%	48%	32%
\$20 to \$39,999	24%	23%	27%	25%
\$40,000 +	25%	50%	26%	43%
Age	Disabled	Non-Disabled	Disabled	Non-Disabled
<55	40%	76%	43%	74%
55 +	60%	24%	57%	26%
Region	Disabled	Non-Disabled	Disabled	Non-Disabled
Northwest	18%	19%	15%	19%
South	39%	35%	39%	35%
Midwest	22%	23%	27%	25%
West	21%	23%	18%	20%
Education	Disabled	Non-Disabled	Disabled	Non-Disabled
<High School Diploma	31%	14%	12%	4%
High School Diploma	33%	29%	31%	19%
Some College	6%	7%	29%	27%
College Degree	30%	50%	29%	50%
Employment	Disabled	Non-Disabled	Disabled	Non-Disabled
Full Time	18%	57%	31%	66%
Part Time	7%	12%	9%	11%
Unemployed	71%	26%	54%	19%
Not Working/Retired	4%	5%	6%	4%

Appendix C

W&I Research Project Team Members

W&I, Research Group 4 Acting Chief

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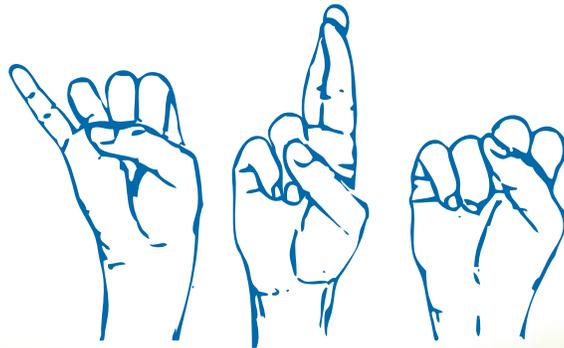
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